



WISCONSIN LEGISLATIVE COUNCIL  
PROPOSED REPORT TO THE LEGISLATURE

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SPECIAL COMMITTEE ON  
HEALTH CARE REFORM  
IMPLEMENTATION

May 4, 2012

PRL 2011-14



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# Special Committee on Health Care Reform Implementation

Prepared by:  
Laura Rose, Deputy Director, and Margit Kelley, Staff Attorney  
May 4, 2012

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# **PART I**

## **NO RECOMMENDATION**

The Special Committee on Health Care Reform Implementation has permanently adjourned. The Special Committee makes no recommendation.

The Special Committee held four meetings in 2010, during which it heard testimony from state and national experts on federal health care reform implementation and learned about health care exchanges that have been implemented in Utah and Massachusetts; discussed options for creating a state health insurance exchange for Wisconsin; and reviewed a preliminary bill draft to create a Wisconsin exchange. **Appendix 1** is a letter from the Joint Legislative Council Co-Chairs explaining the decision to adjourn the committee.



## **PART II**

### **COMMITTEE ACTIVITY**

#### **Assignment**

The Joint Legislative Council established the Special Committee on Health Care Reform Implementation and appointed the co-chairs by a May 7, 2010 mail ballot. The committee was directed to study and make recommendations on what changes should be made to Wisconsin's statutes and administrative rules in response to recently enacted federal health care reform legislation. The committee was directed to study all aspects of the federal legislation that affect Wisconsin including insurance market reforms, coverage for uninsured persons, preventive care, taxation, quality improvement, and health workforce issues.

Membership of the Special Committee was appointed by June 30, 2010 and January 27, 2011 mail ballots. The final committee membership consisted of two Senators, three Representatives, and 16 public members. A list of committee members is included as **Appendix 3** to this report.

#### **Summary of Meetings**

The Special Committee held four meetings on the following dates:

August 19, 2010  
September 21, 2010  
November 9, 2010  
December 13, 2010

At the August 19, 2010 meeting, the Special Committee heard presentations from Secretary Karen Timberlake and staff, Department of Health Services (DHS) and Commissioner Sean Dilweg and staff, Office of the Commissioner of Insurance (OCI) on the activities of the Office of Health Care Reform (OHCR). Alan Weil, the Executive Director of the National Academy for State Health Policy (NASHP), said that NASHP convened a steering committee of state health policy leaders and asked for their feedback on the federal Patient Protection and Affordable Care Act (PPACA) implementation on the state level. He described key elements for state policymakers to keep in mind. Amie Goldman, CEO, Health Insurance Risk-Sharing Plan (HIRSP), provided a brief history and description of HIRSP. She also described HIRSP's contract to operate the federal temporary federal risk pool until the end of 2013. The committee heard from Alice Torti of Madison, the owner of Great Big Pictures, Inc. Ms. Torti provided testimony regarding her experience with procuring health insurance for her company's employees. Finally, Bob Connolly described his experience as a small business owner providing health insurance to his employees, and his efforts to try to mitigate the large annual premium increases by pursuing the establishment of a health care purchasing cooperative through "Common Ground," an alliance of small businesses, congregations, unions, schools, and neighborhood associations.

At the September 21, 2010 meeting, Bill Oemichen, President and CEO, Cooperative Network, gave an overview of how health cooperatives operate and the important role they play in Wisconsin. Next, David Stella, Secretary; Lisa Ellinger, Deputy Administrator, Division of Insurance Services; and Bill Kox, Director, Health Benefits and Insurance Plans Bureau; Department of Employee Trust Funds (ETF), gave an overview of ETF health insurance plans, scope, governance structure, and administration. Jon Kingsdale, Ph.D., Kingsdale and Associates, LLC., former Executive Director, Massachusetts Health Connector, appeared via conference call to describe some of the lessons learned in setting up the Massachusetts exchange. David Jackson, Director, Utah Health Exchange, described the Utah Health Exchange, a private sector health care solution facilitated by the state. Finally, Rachel Currans-Sheehan, Executive Assistant, DHS, and Craig Steele, Project Manager, OHCR, discussed the

exchange planning grant and the request for comments from the federal Department of Health and Human Services regarding the major factors states should consider in designing exchanges. Following these presentations, the committee discussed Memo No. 1, *Health Benefits Exchanges in Selected States and Under Federal Health Care Reform*. The committee discussed the need for guiding principles and provided input on the structure and governance of a health exchange. Members were requested to submit ideas for guiding principles and the structure and governance of the exchange to staff, who compiled this information for the November meeting.

At the November 9, 2010 meeting, the Special Committee reviewed Memo No. 3, *Guiding Principles for Committee Discussion*. The committee debated the scope of the work that the committee should undertake given the changes in the majority leadership for Wisconsin's Legislature and the Governor on January 3, 2011. The committee approved a motion that the committee recommend a framework for the guiding principles of the health exchange as follows: (1) maintain a pluralistic marketplace, for a robust private insurance market in the state; (2) create a governance structure for the health exchange that is independent and insulated from the political process, but is publicly accountable through measures such as being subject to the open records law, audits, and regular reporting to the Legislature; and (3) promote value and transparency within the health care system, with a focus on cost-efficiency, quality, access, and prevention.

At the December 13, 2010 meeting, the Special Committee reviewed a bill draft that established a Wisconsin Health Exchange Authority, modeled on the HIRSP Authority structure, with the same inclusions and exclusions to particular state agency requirements. The bill draft incorporated all of the federal requirements for an exchange pursuant to the federal PPACA. The committee reviewed the draft's legislative findings, which incorporated the guiding principles upon which the committee found consensus at the November meeting, and amended some of the principles. The committee also discussed the governing body of the exchange as presented in the draft, and recommended changes to membership categories, as well as to the size of the governing body.

A meeting scheduled for January 10, 2011, was cancelled by the newly designated co-chairpersons of the committee, Senator Alberta Darling and Representative Pat Strachota. Subsequently, Senator Mary Lazich and Representative Joan Ballweg, the Co-Chairs of the Legislative Council, in a letter dated September 26, 2011, disbanded the committee (see Appendix 1).



## Appendix 1

### State of Wisconsin JOINT LEGISLATIVE COUNCIL

*Co-Chairs*

**MARY LAZICH**  
Senator

**JOAN BALLWEG**  
Representative



#### LEGISLATIVE COUNCIL STAFF

**Terry C. Anderson**

*Director*

**Laura D. Rose**

*Deputy Director*

September 26, 2011

Members of the Special Committee on Health Care Reform Implementation

Dear:

We have reviewed the activity of the various special committees appointed by the previous Joint Legislative Council. Many of these committees completed their assignments earlier this year and have forwarded their final reports to us. The Special Committee on Health Care Reform Implementation has been awaiting further action. The committee co-chairs have recommended no further committee meetings.

Thank you for your service on the committee. The work you did will help in the process that Wisconsin uses to develop a health care exchange. Going forward, the Legislature will be working with the Governor and the various stakeholders to create a Wisconsin answer to this issue.

Your participation in this committee has played a valuable role in the collection of vast amounts of good information that will be consulted as this issue continues to be reviewed and addressed by state government. While the committee will not conduct further meetings, the information assembled will be retained.

We greatly appreciate your assistance to the Wisconsin Legislature and service to the people of Wisconsin.

Sincerely,

---

Senator Mary Lazich, Co-Chair  
Joint Legislative Council

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Representative Joan Ballweg, Co-Chair  
Joint Legislative Council

ML:JB:wu

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<http://www.legis.state.wi.us/lc>





## Appendix 2

### Joint Legislative Council

*[Joint Legislative Council Members Who Selected and Appointed Committee and Its Membership]*

#### **Co-Chair**

##### **FRED A. RISSE**

*Senate President*

100 Wisconsin Avenue, Unit 501  
Madison, WI 53703

#### **Co-Chair**

##### **MARLIN D. SCHNEIDER**

*Representative*

3820 Southbrook Lane  
Wisconsin Rapids, WI 54494

#### **SENATORS**

##### **SPENCER COGGS**

7819 W. Potomac Avenue  
Milwaukee, WI 53222

##### **SHEILA HARS DORF**

N6627 County Road E  
River Falls, WI 54022

##### **JUDY ROBSON**

2411 E. Ridge Road  
Beloit, WI 53511

##### **ALBERTA DARLING**

1325 West Dean Road  
River Hills, WI 53217

##### **PAT KREITLOW**

*President Pro Tempore*  
15854 93<sup>rd</sup> Avenue  
Chippewa Falls, WI 54729

##### **DALE SCHULTZ**

515 North Central Avenue  
Richland Center, WI 53581

##### **RUSSELL DECKER**

*Majority Leader*  
6803 Lora Lee Lane  
Schofield, WI 54476

##### **MARK MILLER**

4903 Roigan Terrace  
Monona, WI 53716

##### **ROBERT WIRCH**

3007 Springbrook Road  
Pleasant Prairie, WI 53158

##### **SCOTT FITZGERALD**

*Minority Leader*  
N4692 Maple Road  
Juneau, WI 53039

#### **REPRESENTATIVES**

##### **JOAN BALLWEG**

170 W. Summit Street  
Markesan, WI 53946

##### **DEAN KAUFERT**

1360 Alpine Lane  
Neenah, WI 54956

##### **MICHAEL SHERIDAN**

*Speaker*  
1032 Nantucket Drive  
Janesville, WI 53546

##### **TERESE BERCEAU**

4326 Somerset Lane  
Madison, WI 53711

##### **THOMAS NELSON**

*Majority Leader*  
1510 Orchard Drive  
Kaukauna, WI 54130

##### **TONY STASKUNAS**

*Speaker Pro Tempore*  
2010 South 103<sup>rd</sup> Court  
West Allis, WI 53227

##### **SPENCER BLACK**

5742 Elder Place  
Madison, WI 53705

##### **MARK POCAN**

309 N. Baldwin Street  
Madison, WI 53703

##### **ROBIN VOS**

4710 Eastwood Ridge  
Racine, WI 53406

##### **JEFF FITZGERALD**

*Minority Leader*  
910 Sunset  
Horicon, WI 53032

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

# Joint Legislative Council

*[Current Joint Legislative Council Members Receiving Committee Report]*

## **SENATE MEMBERS**

### **MARY LAZICH, Co-Chair**

4405 South 129th Street  
New Berlin, WI 53151

### **TIM CULLEN**

3711 N. Spring Hill Drive  
Janesville, WI 53545

### **ALBERTA DARLING**

1325 West Dean Road  
River Hills, WI 53217

### **MICHAEL ELLIS**

*Senate President*  
1752 County Road GG  
Neenah, WI 54956

### **JON ERPENBACH**

6150 Briggs Road  
Waunakee, WI 53597

### **SCOTT FITZGERALD**

*Majority Leader*  
N4692 Maple Road  
Juneau, WI 53039

### **PAM GALLOWAY**

1506 Pine View Lane  
Wausau, WI 54403

### **JOE LEIBHAM**

*President Pro Tempore*  
3618 River Ridge Drive  
Sheboygan, WI 53083

### **MARK MILLER**

*Minority Leader*  
4903 Roigan Terrace  
Monona, WI 53716

### **DALE SCHULTZ**

515 North Central Avenue  
Richland Center, WI 53581

### **LENA TAYLOR**

1518 West Capitol  
Milwaukee, WI 53206

## **ASSEMBLY MEMBERS**

### **JOAN BALLWEG, Co-Chair**

170 W. Summit Street  
Markesan, WI 53946

### **PETER BARCA**

*Minority Leader*  
1339 38 Ave.  
Kenosha, WI 53144

### **TERESE BERCEAU**

4326 Somerset Lane  
Madison, WI 53711

### **JEFF FITZGERALD**

*Speaker*  
910 Sunset  
Horicon, WI 53032

### **TAMARA GRIGSBY**

2354 N. 41st Street  
Milwaukee, WI 53210

### **DEAN KAUFERT**

1360 Alpine Lane  
Neenah, WI 54956

### **BILL KRAMER**

*Speaker Pro Tempore*  
2005 Cliff Alex Ct. South, #3  
Waukesha, WI 53189

### **JOHN NYGREN**

N2118 Keller Rd.  
Marinette, WI 54143

### **SANDY PASCH**

6301 N. Berkeley Blvd.  
Whitefish Bay, WI 53217

### **SCOTT SUDER**

*Majority Leader*  
102 South 4th Avenue  
Abbotsford, WI 54405

### **ROBIN VOS**

960 Rock Ridge Road  
Burlington, WI 53105

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the co-chairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

*Terry C. Anderson, Director, Legislative Council Staff  
1 East Main Street, Suite 401, P.O. Box 2536, Madison, Wisconsin 53701-2536*

## Appendix 3

### Health Care Reform Implementation

Senator Alberta Darling, **Co-Chair**  
(Co-Chair 1/11 to completion)  
1325 West Dean Road  
River Hills, WI 53217

Senator Jon Erpenbach, Co-Vice-Chair  
(Co-Chair 5/10 to 1/11)  
6150 Briggs Road  
Waunakee, WI 53597

Senator Jennifer Shilling  
2608 Main Street  
La Crosse, WI 54601

Tim Bartholow  
Senior VP of Member Servs., Policy  
Planning & Physician Professional Development  
Wisconsin Medical Society  
330 East Lakeside Street  
Madison, WI 53715-2099

Ed Harding, President/CEO  
Columbus Community Hospital  
1515 Park Avenue  
Columbus, WI 53925

Robert Kraig, Executive Director  
Citizen Action of Wisconsin  
221 South Second Street, Suite 300 S  
Milwaukee, WI 53204

David Newby, President  
Wisconsin State AFL-CIO  
4338 Upland Drive  
Madison, WI 53705

Robert Palmer, CEO  
Dean Health Plan and Navitus Health Solutions  
1277 Deming Way  
Madison, WI 53717

Robert Phillips, Medical Director  
Marshfield Clinic, Department of Government Relations  
10 East Doty Street, Suite 515  
Madison, WI 53703

Judy Robson  
2411 East Ridge Road  
Beloit, WI 53511

Barbara Zabawa, Chair  
State Bar of Wisconsin  
5302 Eastpark Boulevard  
P.O. Box 7158  
Madison, WI 53707-7158

Representative Pat Strachota, **Co-Chair**  
(Co-Chair 1/11 to completion)  
639 Ridge Road  
West Bend, WI 53095

Representative Jon Richards, Co-Vice-Chair  
(Co-Chair 5/10 to 1/11)  
1823 North Oakland Avenue  
Milwaukee, WI 53202

Wendy Arnone  
United Health Care of Wisconsin, Inc.  
3100 AMS Boulevard  
Green Bay, WI 54313

Cheryl A. DeMars, President/CEO  
Employer Health Care Alliance Corporation  
P.O. Box 44365  
Madison, WI 53744-4365

Jeff Huebner, M.D.  
GHC-East Clinic  
5249 East Terrace Drive  
Madison, WI 53718

Joe Leean  
55 Iroquois Drive North  
Ft. Meyers, Beach, FL 33931

Candice Owley, President  
Wis. Fed. of Nurses and Health Professionals  
9620 West Greenfield Avenue  
West Allis, WI 53214-2645

William D. Petasnick, President/CEO  
Froedtert Memorial Lutheran Hosp. & Froedtert  
and Community Health System  
9200 West Wisconsin Avenue  
Milwaukee, WI 53226

David Riemer, Director  
Community Advocates Public Policy Institute  
744 North 4<sup>th</sup> Street, Suite 200  
Milwaukee, WI 53203

Marlin D. Schneider  
3820 Southbrook Lane  
Wisconsin Rapids, WI 54494

**STUDY ASSIGNMENT:** The Special Committee is directed to study and make recommendations on what changes should be made to Wisconsin's statutes and administrative rules in response to recently enacted federal health care reform legislation. The committee is directed to study all aspects of the federal legislation that affect Wisconsin including insurance market reforms, coverage for uninsured persons, preventive care, taxation, quality improvement, and health workforce issues.

**21 MEMBERS:** 2 Senators; 3 Representatives; and 16 Public Members.

**LEGISLATIVE COUNCIL STAFF:** Laura Rose, Deputy Director; and Margit Kelley, Staff Attorney; and Julie Learned, Support Staff.



## Appendix 4

### Committee Materials List (Copies of documents are available at [www.legis.state.wi.us/lc](http://www.legis.state.wi.us/lc))

January 10, 2011 Meeting (CANCELLED)	<a href="#">Notice</a>	<a href="#">Agenda</a>	<a href="#">Audio</a>	<a href="#">Minutes</a>
<ul style="list-style-type: none"> <li>• <a href="#">WLC: 0038/3</a>, relating to the establishment of the Wisconsin Health Exchange Authority.</li> <li>• <a href="#">WLC: 0080/1</a>, proposed Amendment 1 to WLC: 0038/3.</li> <li>• <a href="#">WLC: 0081/1</a>, proposed Amendment 2 to WLC: 0038/3.</li> <li>• <a href="#">WLC: 0082/1</a>, proposed Amendment 3 to WLC: 0038/3.</li> </ul>				
December 13, 2010 Meeting	<a href="#">Notice</a>	<a href="#">Agenda</a>	<a href="#">Audio</a>	<a href="#">Minutes</a>
<ul style="list-style-type: none"> <li>• <a href="#">WLC: 0038/2</a>, relating to the establishment of the Wisconsin Health Exchange Authority.</li> <li>• <a href="#">WLC: 0038/1</a>, relating to the establishment of the Wisconsin Health Exchange Authority.</li> <li>• <a href="#">Memo No. 5</a>, <i>Powers and Duties of Health Care Exchanges from Utah, California, and Massachusetts</i> (December 7, 2010).</li> <li>• <a href="#">Document</a>, <i>Proposed Amendments to LRB Draft for a WI Health Exchange Authority</i>, submitted by Public Member David Riemer.</li> <li>• <a href="#">Handout</a>, <i>American Health Benefit Exchange Model Act</i>, submitted by Public Member David Riemer.</li> <li>• <a href="#">Handout</a>, <i>Adult Dependent Coverage, The Alliance</i>, submitted by Public Member Cheryl A. DeMars.</li> </ul>				
November 9, 2010 Meeting	<a href="#">Notice</a>	<a href="#">Agenda</a>	<a href="#">Audio</a>	<a href="#">Minutes</a>
<ul style="list-style-type: none"> <li>• <a href="#">Memo No. 2</a>, <i>Selected Issues Relating to Application of Federal Health Care Reform Law</i> (October 15, 2010).</li> <li>• <a href="#">Memo No. 3</a>, <i>Guiding Principles for Committee Discussion</i> (October 15, 2010).</li> <li>• <a href="#">Memo No. 4</a>, <i>Options for Wisconsin Exchange and Governing Body</i> (October 15, 2010). <ul style="list-style-type: none"> <li>○ <a href="#">Enclosure 1</a>, Letter to Representative Jon Richards, from Dennis Conta, Chair, Board of Directors, and Amie Goldman, CEO, HIRSP Authority (October 7, 2010).</li> <li>○ <a href="#">Enclosure 2</a>, Statutory language creating a Massachusetts and California health exchange.</li> </ul> </li> </ul>				
October 21, 2010 Meeting (CANCELLED)				
September 21, 2010 Meeting	<a href="#">Notice</a>	<a href="#">Agenda</a>	<a href="#">Audio</a>	<a href="#">Minutes</a>
<ul style="list-style-type: none"> <li>• <a href="#">Memo No. 1</a>, <i>Health Benefits Exchanges in Selected States and Under Federal Health Care Reform</i> (September 14, 2010). <ul style="list-style-type: none"> <li>○ Enclosure 1, <a href="#">Federal Register</a>/Volume 75, No. 148 (August 3, 2010) and <a href="#">Office of Health Care Reform</a>, Exchange: Solicitation of Comments.</li> <li>○ <a href="#">Enclosure 2</a>, Project of Abstract Summary.</li> </ul> </li> <li>• <a href="#">PowerPoint presentation</a>, <i>Overview of Massachusetts Health Reform: Exchange Design Issues &amp; Lessons Learned</i>, submitted by Jon Kingsdale, Ph.D., Kingsdale &amp; Associates, LLC (September 21, 2010).</li> <li>• <a href="#">Presentation</a> by S. Dave Jackson, Utah Defined Contribution Risk Adjuster Board Chair, <i>The Utah Health Exchange, A Utah Solution for Utah Businesses</i>.</li> <li>• <a href="#">Testimony</a> of William Oemichen, President and CEO, Cooperative Network (September 21, 2010).</li> <li>• <a href="#">Powerpoint presentation</a>, <i>WI State Employee Health Insurance Program</i>, submitted by Dave Stella, Secretary, Lisa Ellinger, Division of Insurance Services, and Bill Kox, Director of Health Benefits &amp; Insurance Plans, Wisconsin Department of Employee Trust Funds (September 21, 2010).</li> <li>• <a href="#">Presentation</a>, <i>Wisconsin Health Insurance Exchange Authority</i>, prepared by Public Members David Riemer, Joe Leean, and Robert Kraig.</li> </ul>				
August 19, 2010 Meeting	<a href="#">Notice</a>	<a href="#">Agenda</a>	<a href="#">Audio</a>	<a href="#">Minutes</a>
<ul style="list-style-type: none"> <li>• <a href="#">Document</a>, <i>FOCUS on Health Reform</i>, "Health Reform Implementation Timeline," Kaiser Family Foundation (June 15, 2010).</li> <li>• <a href="#">Document</a>, <i>State Legislators' Check List for Health Reform Implementation FY 2010</i>, by Rachel Morgan R.N., BSN, Senior Health Policy Specialist, National Conference of State Legislatures (July 15, 2010).</li> <li>• <a href="#">Document</a>, <i>State Implementation of National Health Reform: Harnessing Federal Resources to Meet State Policy Goals</i>, by Stan Dorn, prepared for State Coverage Initiatives by the Urban Institute (July 2010).</li> <li>• <a href="#">PowerPoint presentation</a>, <i>Implementing Health Care Reform in Wisconsin</i>, by Karen Timberlake, Wisconsin Department of Health Services, and Sean Dilweg, Office of the Commissioner of Insurance.</li> </ul>				

- [PowerPoint presentation](#), *Coordinating State Roles for Effective Implementation of Federal Health Care Reform*, submitted by Alan Weil, Executive Director, National Academy for State Health Policy (August 29, 2010).
- [PowerPoint presentation](#), *HIRSP Authority, HIRSP and Health Care Reform*, submitted by Amie Goldman (August 19, 2010).
- [Testimony](#) from Bob Connolly, small business owner and Co-Chair of the Health Care Committee on Common Ground (August 19, 2010).
- [Health Care Reform Implementation Timeline](#), National Association of Insurance Commissioners, submitted by Office of the Commissioner of Insurance.